

Introduced by Senator Alquist

February 17, 2006

An act to add Part 4 (commencing with Section 1000) to Division 1 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1338, as introduced, Alquist. California Health Care Infrastructure Authority.

Under existing law, the State Department of Health Services and the California Health and Human Services Agency have various responsibilities relating to the provision of health care.

This bill would require the department and the agency to jointly establish and operate the California Health Care Infrastructure Authority, to improve the quality of health care in California and to reduce the cost of health care through the advancement of health information technology. The bill would require the authority to develop a plan to ensure that every Californian will have an electronic health care record by the year 2010, and would specify the required contents of the plan. The bill would set forth the other responsibilities of the authority, including, among others, conducting research, implementing pilot projects as necessary, and pursuing a waiver to enable the Medi-Cal program to participate in the statewide information technology infrastructure under the bill.

This bill would authorize the authority to receive various forms of state, federal, and private funding for purposes of the bill. It would require the authority to submit an annual report of its activities to the Governor and the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) Health care cost inflation, coupled with an aging California population, is projected to create potentially unsustainable deficits.

(b) Employers, governments, and individuals face similar financial pressures as health care costs continue to increase faster than incomes.

(c) California has a large uninsured population and serious problems with inefficiency and poor quality of care.

(d) Health care providers are poorly equipped, for the most part, for the growing crisis. Most health care providers lack the information systems necessary to keep pace with an increasing body of medical knowledge.

(e) Information systems to help health care providers deal with issues associated with coordinating care across medical and social models, as well as with other providers, are underutilized.

(f) Information systems designed to assist with compliance of health directives with disease prevention and management guidelines are underutilized.

(g) Information systems to assist with measuring and improving health care performance are poorly utilized.

(h) Information systems to rapidly detect and respond to public health crises are nonexistent or poorly utilized.

(i) Use of electronic medical records could save as much as eight billion dollars annually in California through improvements in health care delivery efficiency. Health information technology-enabled improvements in disease prevention and management could more than double those savings, while lowering age-adjusted mortality by as much as 18 percent and reducing annual employee sick days.

SEC. 2. Part 4 (commencing with Section 1000) is added to Division 1 of the Health and Safety Code, to read:

PART 4. HEALTH CARE INFRASTRUCTURE AUTHORITY

1000. (a) The department and the California Health and Human Services Agency shall jointly establish and operate the California Health Care Infrastructure Authority, as provided in

1 this part. The purposes of the authority are to improve the quality
2 of health care in California and to reduce the cost of health care
3 through the advancement of health information technology.

4 (b) The authority shall develop a plan for the state to ensure
5 that every Californian will have an electronic health care record
6 by the year 2010.

7 (c) The plan developed by the authority shall include the
8 establishment of incentives and standards that foster the creation
9 of electronic medical records and the integration of digital patient
10 records for all Californians by California health care providers in
11 order to improve health care quality, safety, and efficiency, and
12 to reduce health care costs.

13 (d) The plan shall ensure that by January 1, 2008, the state has
14 initiated all of the following:

15 (1) The adoption of standards to work in concert with federal
16 health care initiatives.

17 (2) The creation of electronic medical records and digital
18 patient records, as well as interoperability and privacy standards,
19 which shall be consistent with applicable federal law.

20 (3) Policy and legislative proposals to align incentives for
21 health care providers, so that the health care providers will invest
22 in health information technology.

23 1002. Responsibilities of the authority shall include, but shall
24 not be limited to, all of the following:

25 (a) Providing leadership in the redesign of health care delivery
26 systems, using information technology to ensure that every
27 Californian receive care that is safe, effective, patient-centered,
28 timely, efficient, and equitable.

29 (b) Serving as a forum for the exchange of ideas and
30 consensus-building regarding the advancement of health
31 information infrastructure and health care applications.

32 (c) Conducting research to identify innovative health care
33 applications, using information technology and systems to
34 improve patient care and reduce the cost of care, including
35 applications to support electronic disease management and
36 evidence-based medicine.

37 (d) If necessary, implementing pilot projects to determine the
38 impact of various health care applications using information
39 technology and systems on the quality of patient care and the cost
40 of health care.

1 (e) Facilitating the transfer of the authority's research findings
2 into clinical practice.

3 (f) Facilitating the integration of the health information
4 infrastructure with other information infrastructure development,
5 particularly in the areas of adoption of standards to work in
6 concert with federal initiatives and the interoperability and
7 privacy standards.

8 (g) Recommending policies and standards to ensure the
9 security and confidentiality of health information, which shall be
10 consistent with applicable federal law.

11 (h) Providing recommendations on standards for software and
12 communication between networks.

13 (i) Pursuing a waiver to enable the Medi-Cal program to pay
14 its share of investments in statewide information technology
15 infrastructure, provide financial incentives to providers who use
16 health information technology, and add telemedicine as a covered
17 service.

18 (j) Identifying strategies to accelerate market forces through
19 incentives to adopt and use standards-based electronic medical
20 records and build a foundation for value-based competition.

21 (k) Subsidizing change by targeting the development of
22 regional health information exchange networks, decreasing the
23 risks of health information technology adoption and networking,
24 and monitoring systems to assess adoption patterns and needs.

25 1004. The authority may receive federal funds, state
26 appropriations, gifts, grants, revolving funds, fees-for-service,
27 and any other public or private funds for purposes of
28 implementing this part.

29 1006. The authority shall submit an annual report of its
30 activities to the Governor and the Legislature, articulating key
31 policy objectives that are required to be undertaken in order to
32 maximize the benefits of integrating an electronic medical record
33 system and other health information technology initiatives.